

## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS - Chairman  
BOYD DUNN  
SANDRA D. KENNEDY  
JUSTIN OLSON  
LEA MÁRQUEZ PETERSON

In the matter of:

David J. Volpe (CRD no. 2543478), and  
Amanda Volpe, husband and wife,

Respondents.

DOCKET NO. S-21086A-19-0284

**NOTICE OF OPPORTUNITY FOR HEARING  
REGARDING PROPOSED ORDER TO CEASE  
AND DESIST, ORDER FOR RESTITUTION,  
ORDER FOR ADMINISTRATIVE PENALTIES,  
ORDER OF REVOCATION, AND ORDER FOR  
OTHER AFFIRMATIVE ACTION**

**NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING**

**EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondent David J. Volpe has engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

**I.****JURISDICTION**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

**II.****RESPONDENT**

2. David J. Volpe ("Volpe") has been a married man and an Arizona resident since at least July 7, 2018. From at least July 7, 2018, to December 27, 2018, Volpe was registered by the Commission as a securities salesman with CRD no. 2543478 and was employed by registered securities dealer LPL Financial, LLC, CRD no. 6413. From January 25, 2019, to April 26, 2019,

1 Volpe was registered by the Commission as a securities salesman and was employed by registered  
2 securities dealer First Financial Equity Corporation, CRD no. 16507. Volpe has also been a  
3 licensed insurance producer since at least July 7, 2018.

4 3. Amanda Volpe was at all relevant times the spouse of Respondent Volpe (Amanda  
5 Volpe may be referred to as "Respondent Spouse"). Respondent Spouse is joined in this action under  
6 A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community.

7 4. At all times relevant, Volpe was acting for Volpe's own benefit and for the benefit or  
8 in furtherance of Volpe and Respondent Spouse's marital community.

### 9 III.

### 10 FACTS

11 5. Volpe was struggling financially in 2018 and early 2019 because he had done little  
12 business with his securities dealer in 2018.

13 6. During this time, Volpe had a securities client ("Client") who resided in Arizona and  
14 who suffers from diminished memory.

15 7. In 2018 and 2019, Volpe sold several securities to his Client ("Securities"),  
16 including profit pool interests in a company called CashflowPC. These Securities were not  
17 registered by the Commission. These unregistered Securities sales to the Client totaled over  
18 \$109,000. These Securities sales were not recorded on the records of Volpe's securities dealer  
19 employers. Volpe's Client paid for one of these unregistered securities with a check made out to  
20 Amanda Volpe.

21 8. In February and March 2019, while registered as a securities salesman and  
22 employed by a securities dealer, Volpe accepted at least \$25,000 in loans from his Client. Volpe's  
23 Client is not in the business of lending funds, and the Client is not a relative of Volpe. The loaned  
24 funds that Volpe accepted from his Client were deposited to a bank account that Volpe holds jointly  
25 with Amanda Volpe.  
26

9. On August 2, 2019, the Financial Institution Regulatory Authority (“FINRA”) accepted a Letter of Acceptance, Waiver and Consent signed by Volpe that indefinitely bars Volpe “from associating with any FINRA member in any capacity.”

## IV.

## VIOLATION OF A.R.S. § 44-1841

**(Offer or Sale of Unregistered Securities)**

10. From on or about July 7, 2018, Volpe offered or sold securities in the form of investment contracts, within or from Arizona.

11. The securities referred to above were not registered pursuant to Articles 6 or 7 of the Securities Act.

12. This conduct violates A.R.S. § 44-1841.

V.

## REMEDIES PURSUANT TO A.R.S. § 44-1962

(Denial, Revocation, or Suspension of Registration of Salesman; Restitution, Penalties, or other Affirmative Action)

13. Volpe's conduct is grounds to revoke Volpe's registration as a securities salesman with the Commission pursuant to A.R.S. § 44-1962. Specifically, Volpe:

a) has engaged in dishonest or unethical practices in the securities industry, within the meaning of A.R.S. § 44-1962(A)(10), including:

(i) while a salesperson, borrowing money from a customer who was neither a relative nor in the business of lending funds, within the meaning of A.A.C. R14-4-130(A)(15); and

(ii) while registered as a salesperson, effecting securities transactions that were not recorded on the records of the dealer with whom he was registered, within the meaning of A.A.C. R14-4-130(A)(17);

b) is subject to an order of an SRO denying, suspending, or revoking his membership or registration as a broker or dealer in securities for at least six months, within the meaning of A.R.S. § 44-1962(A)(8); and

c) has violated the Securities Act, namely A.R.S. § 44-1841, within the meaning of A.R.S. § 44-1962(A)(2).

14. Volpe's conduct is grounds to assess restitution, penalties, and/or take appropriate affirmative action pursuant to A.R.S. § 44-1962. Specifically, Volpe has engaged in dishonest or unethical practices in the securities industry, within the meaning of A.R.S. § 44-1962(A)(10).

## VI.

### REQUESTED RELIEF

The Division requests that the Commission grant the following relief:

1. Order Volpe to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. §§ 44-2032 and 44-1962;

2. Order Volpe to take affirmative action to correct the conditions resulting from Volpe's acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. §§ 44-2032 and 44-1962;

3. Order Volpe to pay the state of Arizona administrative penalties of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

4. Order Volpe to pay the state of Arizona administrative penalties, pursuant to A.R.S. § 44-1962;

5. Order the revocation or suspension of Volpe's registration as a securities salesman pursuant to A.R.S. § 44-1962;

6. Order that Volpe and Respondent Spouse be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action; and

7. Order any other relief that the Commission deems appropriate.

**VII.****HEARING OPPORTUNITY**

Each respondent, including Respondent Spouse, may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306. **If Volpe or Respondent Spouse requests a hearing, the requesting respondent must also answer this Notice.** A request for hearing must be in writing and received by the Commission within 10 business days after service of this Notice of Opportunity for Hearing. The requesting respondent must deliver or mail the request to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/divisions/hearings/docket.asp>.

If a request for a hearing is timely made, the Commission shall schedule the hearing to begin 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission may, without a hearing, enter an order granting the relief requested by the Division in this Notice of Opportunity for Hearing.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Kacie Cannon, ADA Coordinator, voice phone number (602) 542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation. Additional information about the administrative action procedure may be found at <http://www.azcc.gov/divisions/securities/enforcement/AdministrativeProcedure.asp>

**VIII.****ANSWER REQUIREMENT**

Pursuant to A.A.C. R14-4-305, if Volpe or Respondent Spouse requests a hearing, the requesting respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007,

1 within 30 calendar days after the date of service of this Notice. Filing instructions may be obtained  
2 from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at  
3 <http://www.azcc.gov/divisions/hearings/docket.asp>.

4 Additionally, the answering respondent must serve the Answer upon the Division. Pursuant  
5 to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a  
6 copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix, Arizona, 85007,  
7 addressed to Paul Kitchin.

8 The Answer shall contain an admission or denial of each allegation in this Notice and the  
9 original signature of the answering respondent or respondent's attorney. A statement of a lack of  
10 sufficient knowledge or information shall be considered a denial of an allegation. An allegation not  
11 denied shall be considered admitted.

12 When the answering respondent intends in good faith to deny only a part or a qualification  
13 of an allegation, the respondent shall specify that part or qualification of the allegation and shall  
14 admit the remainder. The respondent waives any affirmative defense not raised in the Answer.

15 The officer presiding over the hearing may grant relief from the requirement to file an  
16 Answer for good cause shown.

17 Dated this 18<sup>th</sup> day of November, 2019.

A handwritten signature in black ink, appearing to read 'Mark Dinell', is written over a horizontal line.

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20 Mark Dinell  
21 Director of Securities  
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